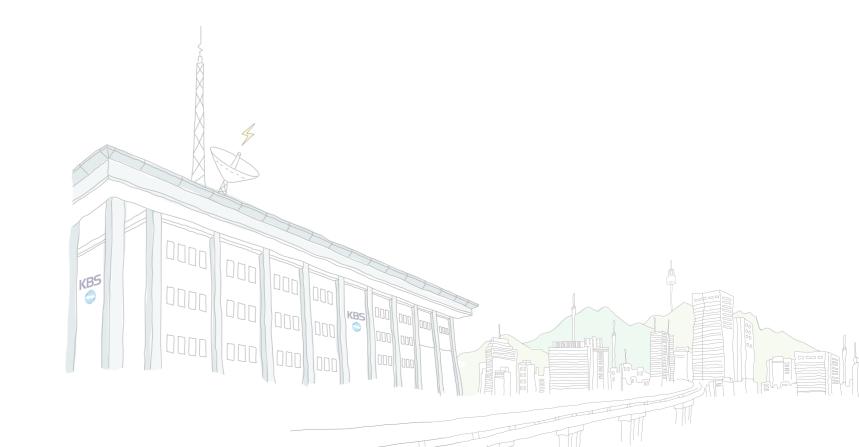


KOREAN BROADCASTING SYSTEM

2017 Annual Report

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Message from the President

Greetings to our dear audience members who have shown much love and support for our nation's public broadcaster. I am Yang Sung-dong, the President and CEO of KBS.

As you may know, KBS faced difficulties in 2017 due to a decline in public trust in conjunction with a prolonged strike. However, this laborious period sowed the seeds for our company to be reborn fully committed to serve the nation. Despite the difficult situation, KBS still gave its utmost to fulfill its duty as a public broadcaster and the nation's primary broadcaster.

These efforts can be seen through the international domestic accolades awarded to excellent KBS programs such as <Descendents of the Sun>, which won the Grand Prize from the Korea Communications Commission Awards and <Imjin War 1592>, which won the Gold World Medal at the New York Festivals World's Best TV & Films. Also, high-quality KBS drama series were recognized for their quality and commercial success, with the romantic coming-of-age drama <Fight For My Way>, the office drama <Good Manager> and the weekend series <My Golden Life> all gaining status as nation-wide hits. KBS news programs maintained their competitive edge in viewers' ratings and KBS worked hard to fulfill public responsibilities without fail in broadcasting the 19th Presidential Election, Gyeongju Earthquakes and preparations for the Pyeongchang Winter Olympic Games.

These achievements were made possible thanks to the valuable license fees given by the audience as well as your love and support for KBS. In order to be born anew, we will return KBS to the nation through the guarantee of freedom of coverage and production, fair evaluation and the restoration of effectual justice. We will always remember that Korean citizens and the audience hold sovereign power over KBS and everything we do is possible because of the audience.

All KBS executives and staff will seriously respect your contributions to our license fee and will make every effort to gain public trust through the recovery of journalism.

Thank you very much.

Yang Sung-dong

KBS President & CEO



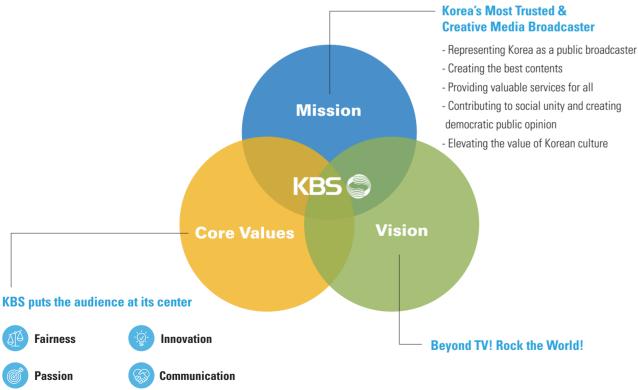
2017 KBS Broadcast Policy



Korea faced an unprecedented series of domestic political changes in the midst of growing global uncertainties. This heightened sense of economic and political crisis demanded extraordinary resolve and spirit to transform a challenging crisis into opportunity and hopeful passion for the future of Korea.

In this spirit, KBS designated "Hope in 2017, Together with KBS," as its broadcast policy for 2017. To fulfill our role as a public broadcaster, we had the following goals in mind: provide hope and courage to the nation through our programs, collect and deliver public opinion, bring controversial topics to the discussion table and provide a future vision for the nation.

KBS Mission & Vision



Channels





Key National Channel for News, Current Affairs, Sports, Culture & Documentaries



Wholesome Family Content, Culture, **Entertainment & Variety**

Radio

KBS 1Radio News &

Current Affairs

Wholesome Family Entertainment

KBS₂Radio

KBS3Radio

Social Welfare Channel for the Disabled & Underprivileged

KBS 한민족방송

Inter-Korean

Cooperation &

Exchange

KBS_{1FM} Korea's Only Channel for Classical

Music & Gugak

KBS_{2FM} K-pop Channel

Terrestrial DMB

①KBS★

Korea's Main DMB Channel based on KBS 1TV Contents **⊕KBS** □

Terrestrial DMB Audio's Only Music Channel

⊕KBS♥

Family & Culture

DMB Channel based on **KBS 2TV Contents**

⊕KB5 Two-way Data Channel

Cable TV

KBS N

KB5 (7) rama

Drama Channel KBS ou Entertainment

Channel

KBSNSPORTS Korea's Leading

Sports Channel

KBS W

KB5(3ids Children's Life Leading Women's Channel Edutainment Channel KBSN IFE People, History,

Documentary, Culture &

Information Channel

KBS World

KBS WORLD TV

International Satellite Broadcasting Channel for the World

KBS WORLD RADIO

Korea's Only Multilingual International Broadcasting Channel

Digital Platforms

my K

Online video streaming service providing various KBS programs in real time VOD and hot clips

Mobile service providing real time on-air, listen & watch again, podcast services for KBS radio contents

KBS**24** 뉴스

Internet-only news channel providing quick news updates 24 hours a day

Affiliates

KBS Media



Established Sept. 1, 1991 Headed By Kwon Soon-woo Phone 02-6939-8100

Address 5F, KBS Media Center, 45 Maebongsan-ro, Mapo-gu, Seoul

Main Business Domestic & international broadcasting & transmission rights sales, new media

platform development, advertisement & marketing, content production &

investment, performing arts & exhibitions, education & training etc

KBS BUSINESS



Established April 1, 1989 Headed By Kang Sun-kyu Phone 02-2600-8600

Address KBS Sports World, 376 Gonghangdae-ro, Gangseo-gu, Seoul

Main Business Broadcast facility management, sports, broadcast technology business,

performing arts and culture, broadcast vehicle service, education & training, IT,

electricity, fire, machine equipment & facilities management

KBS ARTS VISION



 Established
 Oct. 1, 1991

 Headed By
 Kim Dae-hoe

 Phone
 02-6099-7799

Address 7F, KBS Annex, 359 Yeouidaebang-ro, Yeongdeungpo-gu, Seoul

Main Business Stage design, costume, CG, set design makeup, culture & exhibitions, rental

business theme park business

KBS SECURITY



Established March 1, 2011 Headed By Jung In-kyun Phone 02-6099-7111

Address 1F, KBS Main Building, 13 Yeouigongwon-ro, Yeongdeungpo-gu, Seoul

Main Business KBS facilities security, maintaining public order at event venues, remote

education, parking, custodial work and other building management, employee $% \left(1\right) =\left(1\right) \left(1\right)$

assignment, other securities related work

KBS (1)



Established March 8, 2001 Headed By Lee Jun-yong Phone 02-787-3333

Address 3F, KBS Media Center, 45 Maebongsan-ro, Mapo-gu, Seoul

Main Business Channel provider for KBS Drama, KBS N Sports, KBS Joy, KBS W, KBS Kids, KBS

N Life, advertising, events/performing arts/ culture/character business, program

co-production, KBS World transmission agency

KBS MEDIATECH



Established Sept. 1, 2009
Headed By Lee Seok-rae
Phone 02-6099-7312

Address Unit 303, KBS Research Building 3, Gukhoedaero-62-gil 4, Yeongdeungpo-gu,

Seoul

Main Business KBS News image production & news cast, special effects production,

outsourcing





Established July 15, 2004
Headed By Suh Hyun-chul
Phone 213-739-1111

Address 625 S. Kingsley Dr. Los Angeles, CA 90005, USA

Main Business KBS contents & channels supplier in North America

KBS APAN



 Established
 Oct. 19, 2005

 Headed By
 Kwon Hyuk-ju

 Phone
 03-3568-7792

Address 2F, 5F Akasaka Shuzan Bldg. 5-5-13, Akasaka, Minato-ku, Tokyo, Japan

Main Business KBS contents & channels supplier in Japan

MONSTER UNION



Established June 9, 2016
Headed By Park Sung-hye
Phone 02-303-7600

Address 20F, KBS Media Center, 45 Maebongsan-ro, Mapo-gu, Seoul

Main Business drama & variety show program production

Korean Broadcasting System **2017 Annual Report**

Moving the audience with quality content.

KBS has strived to become Korea's main channel with fair reporting and high-quality program production.

International Award Winning Programs of 2017

New York Festivals World's Best TV & Films

- Gold World Medal for Best Docudrama <miin War 1592>
- Gold World Medal for Best Camerawork <miin War 1592>
- Gold World Medal for Best Human Concerns Documentary & Information
- <KBS Special A Cruel Gift>
- Gold World Medal for Best Investigative Report
- <Smart Consumer Report Killer Humidifier Disinfectants>
- Bronze World Medal for Best Community Portraits Documentary & Information
- <KBS Special Rooms for Youth in Basement, Rooftop and Gosiwon>

New York Festivals World's Best Radio Programs

- Bronze in Current Affairs, Information/ Documentary
- <50 Years Since the Chinese Cultural Revolution and North Korea>
- Bronze in Human Relations, Information/ Documentary
- <Magical 20-week Project for Mental Health>

WorldFest-Houston International Film Festival

- Special Jury Award for Best Documentary
 KBS Special A Cruel Gift>
- Special Jury Award for Best TV Series <Descendents of the Sun>
- Special Jury Award for Health & Wellness <The Miraculous Brain>
- Special Jury Award for Historical Programming
- Imjin War 1592>
- Platinum Remi for Best TV Series
 Love in the Moonlight>
- Gold Remi for Entertainment <Singing Battle>
- Gold Remi for Best Documentary
 KBS Special Rooms for Youth in Basement,
 Rooftop and Gosiwon>
- Gold Remi for Investigative Journalism <KBS Special — I am the Murderer, Confessions of the Real Criminal>
- Silver Remi for Best Made for TV films <KBS Drama Special — A World Without Sympathy>
- Bronze Remi for Best Reality based programs
 Two Days and One Night Sejong the Great and Hangul>

Seoul International Drama Awards

- Excellence Award for Short Drama <KBS Drama Special — Red Teacher >
- Top Excellence Award for Hallyu Drama <Love in the Moonlight>

ABU Prizes 2017

- Best TV Documentary <KBS Special – A Cruel Gift>
- Special Commendation for Interactive Radio Program
- <KBS World Radio Special The 3rd Korean Language Video Contest>

Asian Television Awards

- Best Natural History/Wildlife Program
 UHD UNESCO World Heritage <The Time
 Capsule of Nature>
- Best Drama Series <Love in the Moonlight>
- Highly Recommended Award in Terrestrial Broadcaster of the Year Category KBS

以及**对** 1592





2017 Domestic Awards

Korea Communications Commission Awards

- Grand Prize
- <Descendents of the Sun>
- Award of Excellence in Local Development
 KBS Jeju New Year's Special UHD
 Documentary <Far Away Seas & Dark Earth>

44th Korea Broadcast Awards (Korean Broadcasters Association)

- Grand Prize
- <lmjin War 1592>

- Best Regional TV News Report

KBS Jeonju Special <Two-page Report Sheds Light on Death of Vocational High School Student>

- Best Living Information TV Program

<A Feeling of Success, Kim Won-jang - Aging Society, Where is the Exit for Youth?>

- Best Culture & Arts Program

- <Science of Emotion & Sensibility Reincarnation>
- Best Drama Series
- <The Gentlemen of Wolgyesu Tailor Shop>
- Best Short Drama Series
- <Good Manager>

2017 Korea Contents Awards

- Prime Minister's Award for Development of Broadcasting Industry
- <KBS Special A Cruel Gift>

19th Gender Equality in Media Awards

- Top Excellence Award
- <Good Insight Make Women Dance!>

29th Korea Producers Award

- Experimental Spirit Award for TV
- <Science of Emotion & Sensibility -Reincarnation>
- -Best Regional TV Program
- KBS Changwon <The Watcher: Violent Buses, Outlaws of the Street>
- Best Drama Series
- <Descendents of the Sun>

- Best Music & Entertainment Program

<Park Myung-soo Radio Show - Guerilla Event Eating Alone Expedition>

53rd Baeksang Arts Awards

- Best Cultural TV Program
- <KBS Special A Cruel Gift>
- Best Cultural TV Program
- Imjin War 1592>
- Best Drama Series <Love in the Moonlight>

20th Amnesty International Press Awards

<KBS Special - Liberation Day Program: War and Women>

21st Samsung Journalism Awards

- Agenda Award for Broadcasting
- <Sisa Project Window 2016 Political Reform>

Foundation for Broadcast Culture Awards for Local Programs

- Grand Prize
- KBS Busan UNESCO Listing Special <Joseon Tongsinsa>
- Bronze
- KBS Wonju <Youth Market: Making Wonju's Happy Market>

9th Korean Christian Media Awards

- Grand Prize
- <KBS Special A Cruel Gift>

25th Korean Buddhist Media Awards

- Grand Prize
- <Documentary Empathy 3,000 Bows to Discovering Myself>
- Excellence Award for Broadcasting
 UHD UNESCO World Heritage Special <The
- Natural Time Capsule: Field of Stone Buddha, Namsan Mountain in Gyeongju>

Programs of the Month

Designated by the Korea Communications
Standards Commission

TAN

- -<Sisa Project Window New Year's Special -Last Evolution>
- KBS Chuncheon Pyeongchang Winter Olympic Special <Snowy Road, Kim Magnus' Challenge>

FEB ·

- <KBS Special Leadership that made a Country Happy>
- <The Gentlemen of Wolgyesu Tailor Shop>
- KBS Changwon 75th Anniversary Special Radio Documentary < Children with Hope, Log-in>

MAR

- <The Korean History>
- KBS Busan UNESCO Listing Special <Joseon Tongsinsa>

APR

- UHD UNESCO World Heritage <The Natural Time Capsule>

MAY

- <Good Insight Rediscovering Farming>
- KBS Gwangju Special <That Day, May 27>

IIIN

- <KBS Special Qur'an, 1,400 Years of War>
- KBS Jeonju <Sisa Project Day First Report of Dust. Jeonbuk's Secret>

JUL

- <KBS Special - Insecure Future, Empty House Shock>

AUG

- <KBS Special Liberation Day Program: War and Women>
- KBS Cheogju Special Documentary < Tracing the Footsteps of Sangsul Yi>

SEP -

Reclamation>

- UHD Documentary <Journey on Foot>- KBS Daejeon Special <Reverse Land

OCT

- KBS Gangneung <Kelp, the Black Gold in the Sea>

NOV

- 30th Anniversary of Sihwa Lake Special <Empire of Water>

DEC

- Radio1 Korean Network Channel <100 Years of a Poet, Celebrating Yoon Dong-ju>

News & Sports

KBS News received overwhelming support from the audience in 2017 as evidenced in high viewer ratings. From fair and sophisticated coverage of the presidential election to establishing a fast and accurate disaster response emergency broadcasting system, KBS fulfilled its role as a public broadcaster.



<News 9> - #1 in Viewer Ratings

KBS' signature evening news program, <News 9>, recorded a yearly average of 14.4% in viewer ratings in the Seoul Metropolitan area (according to Nielson Company Korea), drawing in nearly two times as many viewers compared to rival news programs such as MBC's <News Desk> (5.2%), SBS' <News 8> (6.4%) and JTBC <News Room> (6.0%). However, <News 9> has been showing a steady decline in ratings for the past five years. Ratings were 16.7% in 2016 but dropped 2.3%p in 2017. Also, according to surveys done by Sisa Journal, Sisa In and Future Media Institute, the overall credibility and influence of KBS has dropped.

Swift Newsflash System... Insufficient Response to Contentious Issues

KBS fulfilled its role as a public broadcaster by swiftly airing newsflashes on major events such as the presidential impeachment, North Korea's nuclear tests and U.S. President Donald Trump's visit to Korea. By broadcasting over 30 newsflashes throughout the year, KBS did its best to satisfy the people's right to know. However, KBS news programs received criticism that they were not active in responding to contentious issues such as the changes brought on by the impeachment of former President Park Geun-hye and the early presidential election as well as the national desire for reform. As such, the challenge remains to develop and realize specific measures to restore fairness and reliability in news coverage.

Fair and Accurate Presidential Election Program

KBS, jointly with two other terrestrial channels, recorded the highest ever exit poll accuracy rate during the 19th Presidential Election which was held on May 9, 2017. Not only did KBS accurately predict the order of candidates by number of votes, but was within 0.8%p in accuracy for the percentage of votes. A three-way connection was made between the main studio, virtual studio and the set at Gwanghwamun Plaza while a spidercam brought augmented reality to the live screen. It was the first time a spidercam was used for a live coverage broadcast of exit poll results in Korea. Ahead of the election, KBS was the sole broadcaster to host a presidential debate among candidates through the <2017 Presidential Candidate Debate>. Candidates were able to carry on a high-quality and dynamic debate thanks to different rules for the free debate, which made the candidates stand instead of sit and limited the time for each topic. As a result, the show's viewer rating reached 26.4% while the viewership share recorded 43%.

Enhanced Disaster Broadcasting Response System

In efforts to improve preparedness against earthquakes which have become more frequent since the Gyeongju earthquake of 2016, KBS examined and reformed its newsflash system as a whole. By cooperating with the Korea Meteorological Administration, KBS established an advanced system for immediate earthquake reporting based on the KMA's earthquake notification system in June 2017. The new system allows scroll and text messages to be broadcast immediately after an earthquake and can also automatically produce a related news story. As a result, KBS was selected as an exemplary case by the Korea Communications Commission during their inspection of major broadcasters' disaster

management plan implementation. In addition, KBS continued to provide in-depth analysis on disaster-related issues while <KBS Disaster Broadcast Center>, the nation's first specialized disaster safety related program, provided specific information on disaster readiness and safety measures.

Pursuing Deeper, On-site News Coverage

KBS focused on strengthening the depth of news reports and strived for news innovation. By creating blocks for the day's major news headlines in a similar style to <News 9>'s "Issue & News" corner, KBS was able to provide multifaceted coverage allowing deeper audience understanding of the news topics. Also, KBS strengthened on-site news coverage capabilities by using Mobile News Gathering (MNG) technology while also focusing on improving news delivery through the use of Augmented Reality (AR).

Expanding Digital Contents Production & Distribution

In order to deliver various issues in real time to digital platforms, KBS built an on-site live broadcasting system by preparing equipment for digital-only live broadcasts. As a result, the KBS Presidential Candidate Debate recorded a cumulative one million users through various platforms while the KBS Presidential Election Broadcast was also aired through four-way live digital broadcasting. The number of visitors to the KBS News website also increased 4% year-on-year. In addition, KBS used its internship system to strengthen the ability to create mobile-only content and participated in Google's News Lab program to create the "Making a President" game with college students, which allowed the pledges of each presidential candidate to be seen at one glance. KBS also formed partnerships with Kakao TV and Naver TV on top of existing partnerships with Facebook and YouTube to expand live platforms.

Dynamic & Deep Global News Coverage

KBS covered major international news topics such as North Korea's nuclear and missile provocations, the US relationship with China and Trump's "Put America First" pledge as well as various wars and terror attacks taking place around the world with deep analysis through the Issue & News and Anchor & Report corners on <News 9> as well as <Correspondent Report, The World Now>. Keeping on-site reporting to a maximum, KBS used personal devices such as smartphones and MNG to allow the audience to feel like they were actually on-site during events such as U.S. President Trump's inauguration, the situations in Baghdad, Iraq and the border area between North Korea and China. KBS also reported on the G20 Summit and the French presidential election based on its own perspective rather than relying on the views of foreign media outlets.

Successful Preparation for Pyeongchang Olympics Broadcast

As the nation's main Olympic channel, KBS focused on its sports broadcasting capabilities to successfully cover the 2018 Pyeongchang Olympics, the first Olympic Games to be held in Korea since the 1988 Seoul Olympics. KBS fulfilled its duty as the nation's main public service broadcaster through a successful Olympic hosting campaign. Sponsorship revenues reached 9.53 billion won, exceeding the original target of 9.5 billion won.

Culture Programs & Documentaries

KBS has strengthened competitiveness through program innovation and high-quality content production. In efforts to fulfill its role as a public broadcaster, KBS has also presented a future vision for Korea that reflects the changes occurring in the world while providing a forum for discussion to form public opinion on important societal issues.









Maximizing Role as Public Broadcaster through Premium Content

KBS produced competitive public content through new types of culture programs in 2017. Pilot programs that aired in early 2017 such as <See-Through TV Inside>, <Serious Crime Squad X-files> and <Library Restaurant> became regular programs while the pilot for <Bragging Room Guests>, which combines digital and traditional broadcasting, was produced in attempts to create new formats. KBS also produced shows that are both fun and informative such as <Science of Emotion & Sensibility-Reincarnation> as well as programs that root for the attempts of Asian youth and reconfirm shared values such as <KBS Special- Asia is 20 Years Old>.

Upgrading Long-running Shows to Provide High-quality Programs

KBS not only developed creative formats but also continuously upgraded popular long-running programs to provide high-quality content. <AM Plaza> incorporated the broadcast participation app, TVUT, into the program to strengthen audience participation and two-way communication. KBS also continuously reshuffled weekly corners such as "Monday Talk Show-Veteran" and "Challenge! Dream Stage" to draw in new audiences. <Hometown Report> also developed new corners such as "Into Korea" and "Youth President On the Way" as innovative ways to shake up the program. <Backpack Travels> used UHD production to provide high-quality content to the audience. Aljem TV, a digital platform for KBS culture programs, was launched on Facebook to create a distribution channel for future culture content.

Educational Programs for Korea's Innovation

Following 2016's Education Innovation Series, KBS produced the eight-part series, <Education and the 4th Industrial Evolution> in 2017 which covered case studies on innovation in the education sector to nurture future generation talent. The eight episodes: World Education in a Shake-up — Make Students Lead, Conditions for Future Talent — From Competition to Cooperation, 21st Century Kids — Awakening Schools, SOS to Teachers — 100 Letters, An Unprecedented University, Transforming Professors, Learning is Play — Why Study?, and Learning is Play — Why go to School? discussed and presented innovative education solutions catered to talent in the future. The special documentary <Questions for the Future of Engineering in Korea> evaluated classroom innovation at science and technology schools in preparation for the 4th Industrial Revolution.

Providing Joy & Emotion through Well-made Documentaries

KBS produced high-quality documentaries such as the four-part series <Journey on Foot> which conveyed the message that we are all "pilgrims on a pilgrimage called life" using UHD image to show the positive values of life. <The Natural Time Capsule> interpreted history from an ecological perspective in an experimental and creative way, while <The Cruel Gift> provided the audience time to think about the precious value of life through the stories of terminal cancer patients and their families standing

between life and death. These documentaries allowed the audience to feel both joy and deep emotions while raising the status of KBS as a public broadcaster and increasing its global competitiveness.

Evolution of Programs through Creative Innovation

KBS strived to raise the brand value of public programs by developing new formats catered to the needs of the audience. <War and Women>, the first women's oral war history documentary, discussed the plight of women from Korea, China and Japan during the Korean War, World War II and Second Sino-Japanese War. The factual docu-drama <The Korean History> expanded the realm of documentaries by dealing with the formation process of Korean people's historical identity from the Paleolithic Era to the unification of the Three Kingdoms in a dramatic narrative. <Choi Tae-sung & Lee Yoon-suk's History Trip>, a spin-off of <The Day, History Journal> was the nation's first historical program shot in a "buddy road trip" format which showed KBS was exploring new narrative formats and pushing creative boundaries.

Role as Forum for Public Opinion

KBS was able to form a forum for social communication and empathy through programs that reflect the times while strengthening investigative functions on societal issues. KBS provided a public discussion forum for the development of democracy through programs such as <KBS Special's Blacklist>, <Impeachment>, and <The Sewol Ferry Disaster> as well as the two-part special <Birth of Citizens>, which showed that the level of democratic maturity shown by Korean citizens in 1987 and 2017 was possible through the power of voluntary candlelight vigils. KBS also strengthened television's function as society's monitor through programs such as <Prosecution & Power>, <Chaebol & Slush Funds> to fulfill its role as a "window on society". It also contemplated ways for the peace process on the Korean Peninsula to take root through programs such as <Old Memory - June 15 Inter-Korean Summit> and <North Korean Nuclear Crisis — Korean Peninsula at a Crossroads>.

Providing Suggestions for a New Future Country

KBS presented a future vision for Korea in the midst of a changing world through programs with new formats such as <The Time of Accumulation> and <The Way of Accumulation> which combined the lecture and documentary format. These two-part series discussed the problems of Korean industry and how to move forward. KBS programs suggested future agendas for the nation through programs such as <Leadership for a Happy Nation> which pointed out how healthy political systems can make people happy and <Conditions for a New Korea> which discussed what is needed in Korean society in the era of political turbulence. In addition, KBS tried to widen understanding on the Islamic world represented through the Qur'an and presented a future direction and vision for Korea in complex international relations through the two-part series <Qur'an - 1,400 Year War>.

Entertainment & Variety

KBS developed new entertainment and variety shows while maintaining the competitiveness of key existing programs. KBS incorporated different formats for various genres and produced new conceptual programs to meet the diverse needs of the audience.





Developing New Entertainment Programs

The Chuseok pilot <1% Friendship> was a reality program that allowed viewers to look into the lives of two people from different backgrounds who started to acknowledge their differences and build a friendship. The program allowed audiences to connect with the characters and look deeper into the meaning of human relationships amid a heartless society and was evaluated as being both entertaining and meaningful. <Hyena on the Keyboard> was a documentary/reality show that realistically showed the process of creating music. In a differentiated format, the show allowed audiences to look into the lives of famous and rookie musicians as they collaborated on making a new song, becoming a much talked-about show. The two-part Chuseok pilot <One Night Sleepover> showed the host traveling abroad and asking locals for an overnight stay at their house. The program was praised for its difference from existing formats as the focus was on the people rather than the scenery like most other travel shows. The program was much talked about even before its premiere and recorded 10.9% in viewer's ratings, ranking 1st among programs aired in the same time frame.

Maintaining Competitiveness for Key Existing Programs

<2 Days & 1 Night> and <The Return of Superman> were the strongest players among weekend variety shows maintaining high viewer ratings and interest among audiences. <Immortal Song 2: Singing the Legend> celebrated its 300th episode in 2017 by airing a three-part special Immortal MC, Immortal Singer and Immortal Legend, which was a big hit among audiences of all ages as evidenced by high viewer ratings. <Gag Concert> was in competition with major variety shows on other channels as well as new cable dramas. The show struggled throughout the year due to interest shifting to news and investigative shows in the midst of political turmoil with the impeachment and presidential election. Comedy shows suffered as a whole with SBS dropping their main comedy show,

<People Looking for a Laugh>, but despite the harsh environment, <Gag Concert>, created over 50 new corners and aired a three-part special to celebrate its 900th episode showing its strength as the longest running comedy show in the nation. <Gayo Stage> demonstrated its competitive edge, maintaining an audience rating in the 10% range for the past 30 years despite the fact that it airs at 10 p.m. on Monday, which is primetime for drama series on all terrestrial channels.

Sensational New-concept Variety Shows

KBS variety programs showed new possibilities with the success of the 2016 sitcom <Sound of the Heart> and achieved another success through the 2017 romantic comedy <Couple on the Backtrack>. Despite prejudices against the drama's format as a "variety drama." low production costs and the unfavorable timeslot at 11 p.m. on Fridays and Saturdays. <Couple on the Backtrack> maintained 1st place on the topicality index after its third week until the last episode. In particular, the last episode received the highest score out of all dramas that aired in 2017 and also ranked 1st in impact factor, making <Couple on the Backtrack> not only one of the best dramas of the year but also one of the most competitive out of programs of all genres. The show's viewer ratings for the 20-49 age group recorded a maximum 6.5% which ranked 2nd place among all KBS programs, just behind KBS weekend dramas, meaning that it caused a sensation among the most marketable age group for advertisers and resulted in showing that KBS had a competitive edge among the younger audience. Although the drama lacked the components for high viewer ratings such as adultery, revenge or a star-studded cast, its detailed storytelling and delicate direction as well as factors that stirred empathy made the audience laugh and cry. Meanwhile, <ldol Rebooting Project - The Unit>, gained interest from the audience by providing a second chance for idol stars who have experienced failure but did not give up, establishing itself as KBS' new flagship audition program.







Drama Series

Based on a diverse lineup of drama series of various lengths and air-times, KBS was able to both fulfill its role as a public broadcaster and increase popularity for its shows. Also, bold investments, risk-taking program planning and high-quality shows helped to raise KBS' status as a drama powerhouse.



Popular Miniseries

Although there weren't dramas in 2017 that caused a global phenomenon like 2016's <Descendents of the Sun>, KBS still produced miniseries in diverse genres. The romantic character drama <Fight for My Way>, workplace comedy <Good Manager> and court mystery investigative drama <Witch at Court> received great responses from the audience who empathized with the characters. For our Monday/Tuesday drama series, the fusion epic <Hwarang: The Poet Warrior Youth>, new thriller format <Ms. Perfect>, <Girls' Generation 1979> and the fun romantic comedy <Jugglers> were big hits. Meanwhile, the human drama <My Fair Lady>, comic thriller <Queen of Mystery>, historical drama <Queen for Seven Days>, weighty social critique drama <Mad Dog> and the fantasy melodrama <Black Knight> were praised for their quality and popularity

Bold Friday/Saturday Series

<Strongest Deliveryman>, a drama series that aired on Fridays and Saturdays was a refreshing yet reliable audience hit. The well-crafted story about passionate youth showed that quality dramas could also succeed in timeslots other than the traditional Monday/Tuesday or Wednesday/Thursday primetime hours.

KBS Drama Shorts

<Drama Special>, which airs shorts produced by rookie directors and writers, showcased 10 drama shorts that included the winner of the 2017 Drama Script Writing Contest. The shorts included new topics and ideas

never before seen in traditional dramas and captivated the audience. The four-episode short, <Naked Fireman>, and two-episode short, <The Happy Loner>, were greatly praised by the audience and demonstrated possibilities for dramas with new formats.

Weekend Series – Guaranteed Hits

The weekend drama <My Golden Life> which dealt with sharp conflicts and social issues, received a lot of love from the audience which resulted in viewers' ratings greatly surpassing the difficult 40% barrier. <My Father is Strange> which told a compelling story while also emphasizing the importance of family and <The Gentlemen of Wolgyesu Tailor Shop> which warmed hearts while providing a variety of spectacle were both hits that continued the tradition and prestige of KBS weekend series.

Steady Daily Series

KBS TV1 daily series such as <Still Loving You>, <Lovers in Bloom> and <Love Returns>, were able to bring about understanding and harmony among different generations. KBS TV2 daily series such as <First Love Again>, <Unknown Woman> and <The Secret of My Love>, were praised for depicting the love and conflict of young men and women in a sophisticated and urban atmosphere. Meanwhile, "TV novels" such as <Reaching for the Stars>, <Sea of the Woman> and <Blossom Dalsoon> brought back nostalgia from 50 years ago and earned a strong following from the audience. KBS' diverse daily series have steadily showed results by living and breathing with the audience in their daily lives.











Radio1 – Korea's Main Radio Channel

Radio1, a general programming radio channel, fulfilled its duties as a public broadcaster by producing public cultural programs including live election results coverage for the 19th Presidential Election. Radio1 also carried out responsibilities as the nation's primary disaster broadcaster through emergency planning for natural disasters such as forest fires, droughts and earthquakes. Programs such as <Economics Concert> and <Low Birthrate Program — Children are Hope> helped to look into the future while a variety of other programs were on air including the radio drama <Wifi King's War> targeting mobile users, Liberation Day special <Secret Mission to The Haque>, and <Humanities Concert>.

Radio2 (Happy FM) – Koreans' Popular Music Channel

Radio2 is another general programming channel that airs music for those in their 40s to 60s. The channel produced a variety of programs that were both educational and entertaining. Top stars such as Choi Soo-jong and Park Joong-hoon were recruited to host <Everyday with You> and <Radio Star> respectively, helping boost the channel's popularity while live public shows with the audience such as the opening ceremony show, Rooting for You, for the South Gyeongsang Province Local Sports Festival and Everyday with You's Fall Music Festival were held to carry out public radio's responsibility of bridging communities and regional culture gaps.

FM1 (Classic FM) – Korea's Only Classical Music Channel

As Korea's only classical music channel, FM1 took the lead in propagating classical and gugak music while strengthening listener services. Programs such as <My Happy Choice, KBS Classic FM> and <Summer Music School – Fun Music, Cool Music> helped to increase intimacy with the listeners while lowering the threshold for classical music. FM1 also hosted various concerts in front of live audiences such as <150th FM Concert Hall – Spring, Another Start>, <151st FM Concert Hall – Walking in Norway>, <70th FM Gugak Stage – Yuchunoh> while <All the World's Music> released a special album commemorating the program's 15th anniversary.

FM2 (Cool FM) – Youthful, Lively & Entertaining Music Channel

FM2 strengthened its identity as a youthful and fun entertainment and music channel in 2017. FM2 strengthened its lineup with a younger generation of hosts including Raina, Lee Soo-ji, On Ju-wan and Kim Ye-

won for the popular programs <Good Morning Pops>, <Gayo Stage>, <Music Show> and <Turn Up the Volume>. A variety of live public shows with the audience such as the <KBS Radio Big Concert> celebrating KBS Radio's 90th anniversary and <Music Album 30 Years> celebrating the 10th anniversary of the show <Lee Hyun Woo's Music Album> were held allowing listeners to interact with the programs.

Radio3 (Voice of Love) – Korea's Only Social Welfare Radio Channel

Radio3 provided original contents with diverse information for 4.5 million socially disadvantaged citizens including the disabled in Korea. <Korea 1st Period- Save the Different Star>, a special program for National Disabled Persons Day as well as <the KBS Disability Awareness Campaign> held throughout 2017 contributed to national disability awareness education and social integration. KBS strengthened its "barrier-free" contents by producing <The Diamond of my Heart> which features a blind baseball commentator, <Today's Newspaper>, <Continuous Reciting>, <Novel Theater>, and <Meeting the World through Reciting>. Radio3 also presented a future vision for the disabled helping them find ways to stand on their own through programs such as <Self Support Project for the Disabled> and <2017 Disabled Career Fair>.

Global Korean Network – North Korea & Ethnic Korean Network Channel

The Global Korean Network expanded its influence as a channel related to North Korea and unification as well as ethnic Koreans living abroad. It improved services for the mobile app KONG allowing audiences to listen to the network anywhere in the world. The specialized role of the channel can be seen through regular programs such as <People Searching for Freedom>, <Learning Market Economy> and <Tradition and Sounds>. Also, a wide variety of special programs and features such as the special concert & documentary on the <80th Anniversary of Ethnic Koreans or Koryo-saram Living in Kazakhstan>, <the 19th Writing Contest on North Korean Experiences>, the special documentary <100 Years of Poets, Questions for Yun Dong-ju>, the global culture documentary <The Song of Shamans> and the human documentary <Ethnic Korean Report> helped the network to fulfill its roles as a specialized channel on North Korea and enhance the homogeneity of the Korean people.

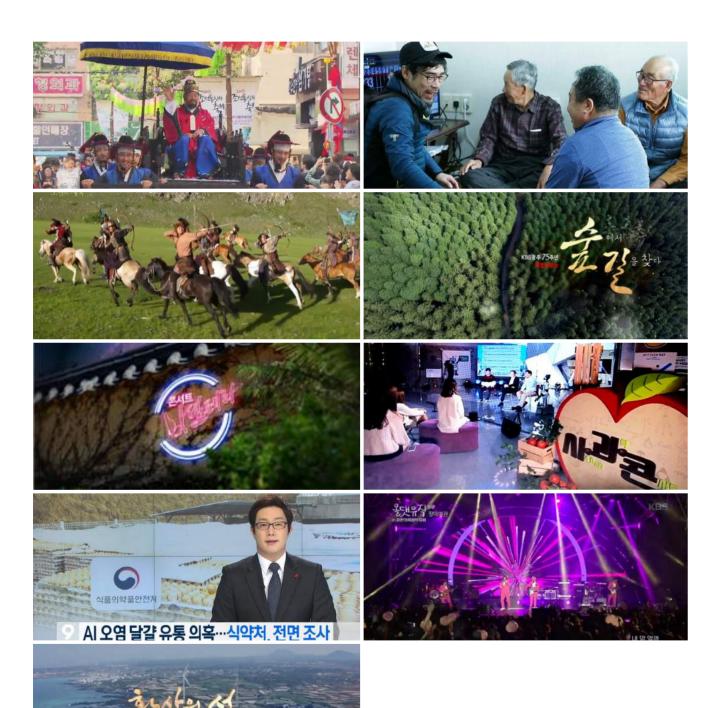






Local Networks

Public broadcaster KBS produced high-quality, local-based programs and contributed to local cultural development through numerous projects. In 2017, KBS local networks produced a wide variety of programs, earning respect and love from the audience.



[KBS Busan]

<BUNESCO Committee> received strong support from not only the local audience, but also from related organizations by discovering local hidden historical and cultural assets and reconstructing their stories in a modern way. The program helped local residents have more pride in their history and also helped the assets to become new tourism resources. <Joseon Tongsinsa>, which tells the story of the forgotten history of peace between Korea and Japan, was produced as a two-part documentary in time to apply for registration on UNESCO's Memory of the World list. The program was designated as Program of the Month by the Korea Communications Standards Commission and also won the Grand Prize at the Foundation for Broadcast Culture Awards for Local Programs.

[KBS Changwon]

KBS Changwon produced and broadcast community-friendly programs such as <Silly Question, Smart Answer>, which recorded the life experiences and wisdom of the elderly. <The Watcher> deeply analyzed current issues of South Gyeongsang Province. For press coverage, KBS Changwon designated "KBS Changwon, A Leader for the Region," as its management objective to provide jobs in the region through in-depth analysis on the region's shipbuilding industry crisis as well alternatives to overcome the challenge.

[KBS Daegu]

The New Year's Special, <Documentary Bow>, which highlighted the history of Korea's achievement in archery and <Empire of the Plains>, which depicted the spectacular journey of gold through the grassy plains into Silla and the blossoming of that culture, were KBS Daegu's special features that won excellent program awards by highlighting the value of local cultural heritage. Marking the 1st anniversary of the Gyeongju earthquake, <Sisa Project Window — 10 Seconds War> looked into earthquake evacuation measures in advanced nations while reviewing Korea's own methods. This program underscored efforts to carry out KBS' responsibilities as the nation's primary disaster broadcaster. In addition, KBS Daegu's main music program <Talk Concert Hue> also provided a place for leisure and culture to local audiences.

KBS Gwangju

KBS Gwangju programs such as the New Year's Special Documentary <Three-day Journey, Chilseok a Magical Space>, the 75th Anniversary Special <Finding the Way in the Forest>, and Special Feature <Coming Home in 80 Years, Han Chang-gi> all highlighted the local culture and tradition in a multifaceted way. Meanwhile, programs such as the year-long feature <The Way to Creative City>, <Namdo's Brand, Into the World>, the Special Documentary <The History of Dried Fish> and <the 4th Industrial Revolution, Dreaming of a City's Future> all presented a future vision for the region, which greatly influenced the local community.

KBS Jeonju

KBS Jeonju was recognized for its unique ability to produce traditional cultural contents by producing <The Life of a Joseon Beauty> which was the first changgeuk musical for any regional network. <Korean Traditional Music Concert> which is broadcast nationwide cemented its status as a well-made program while KBS Jeonju produces regular seasonal programs such as <Concert Navilera> and <Delicious Library> in efforts to develop more creative formats. KBS Jeonju also won major accolades for <Two-page Report Sheds Light on Death of Vocational High School Student> and <First Report of

Dust, Jeonbuk's Secret> which gave insightful coverage on pressing issues.

KBS Daejeon

In order to play a central role in a local community that leads the future, KBS Daejeon focused its capabilities on creating localized programs. The science shows <Science on the Road> and <4th Industrial Revolution Era Science Concert> were programs that both strengthened the status of Daejeon as a science city and helped popularize science by providing future vision and direction for the local community. KBS Daejeon also received the KBS award of excellence for the special documentaries <Magoksa, Scenery and Comfort of a Millennium> and <King Muryeong of Baekje> which enhanced the cultural pride of local citizens by focusing on the traditional culture and history of the region.

KBS Cheongiu

KBS Cheongju produced high-quality contents such as the special documentary <Tracing the Footsteps of Sangsul Yi> and provided insightful coverage of local issues through special reports on the avian influenza crisis and flood damage through AI Outbreak & the Egg Distribution Quarantine Hole and Continuous Damage after 1st Major Flood in 22 Years. These programs went on to win prestigious awards from organizations including the Korea Communications Standards Commission and the Korea Broadcasting Journalist Association. In particular, KBS Cheongju faithfully carried out its duties as the primary disaster broadcaster by establishing disaster alerts and a continuous coverage system following reports of flood damage and Jecheon's fire disaster. KBS Cheongju also carried out its duties as a public broadcaster by broadcasting the opening ceremony for the 98th Korean National Sports Festival, the by-election for Goesan County governor and the 19th Presidential Election.

KBS Chuncheon 1

KBS Chuncheon produced programs such as the 2018 Pyeongchang Winter Olympics D-100 Special <hero> and <Three Periods Pyeongchang> to draw attention to the Pyeongchang Winter Olympics and wish for a successful hosting of the Games. <All That Music>, which airs nationwide, expanded its scope to include the "Chuncheon Family Music Festival" and the "Indiestance Project" with Gyeonggi Content Agency, in efforts to strengthen its role as a public broadcaster. The special <New Maritime Silk Road Cruise> was met with great enthusiasm by the audience as the regional program looked for future strategies and directions by providing in-depth analysis on one of the region's most pressing issues.

KBS Jeiu

KBS Jeju produced the UHD Documentary <Volcanic Island: Oreumkkot>, showcasing the pristine island's magnificent natural beauty while also raising awareness about preservation. Also, programs such as <City Hope Project>, a special lecture/documentary celebrating KBS Jeju's 67th anniversary, and <Sisa Project Window — Island of Fantasies, Shadowed Reality> provided valuable insight into the ever-changing present situation of Jeju while providing a future vision. KBS Jeju also hosted various music festivals and concerts such as the music concert remembering victims of the April 3rd Jeju Uprising, the KBS Symphony Orchestra Concert in Jeju, KBS Jeju's Summer Music Festival and the Enchanted Jeju Nature Music Festival which celebrated 10 years of Jeju's listing as a World Natural Heritage Site. These concerts helped KBS Jeju to become more accessible and closer to the audience, fulfilling the duties of a public broadcaster.

Broadcasting Technology

KBS established production and transmission infrastructure for UHD TV services, which have been expanded to metropolitan areas (and Gangwon Province) while continuing R&D for future broadcasting services to lay the foundation for leadership in the media industry. KBS also strived for universal viewership through first-rate transmission of major national events and preparations for the Pyeongchang Winter Olympic Games. In addition, KBS faithfully carried out its responsibilities as a public broadcaster by strengthening international technical cooperation and putting more emphasis on its role as the nation's primary disaster broadcaster.





Establishing UHD TV Infrastructure & Pursuing New Services

In the field of broadcasting technology, KBS established the production, transmission and reception infrastructure for UHD TV services. Starting from the Seoul Metropolitan area in May, the services were expanded to major cities and Gangwon Province in December. KBS established 11 UHD transmission centers in major cities including the Seoul Metropolitan area including UHD master and secondary control rooms and editing rooms. Along with the UHD production and transmission facilities, medium-sized UHD TV outside broadcast vans also began operations. Meanwhile, KBS created the foundation for next-generation broadcast services by pursuing new services such as UHD ESG and UHD Mobile. In addition, by implementing the same UHD disaster subtitle service as HD disaster broadcasts, KBS strengthened its legal functions and made utmost efforts to fulfill public obligations.

R&D for Future Broadcasting Services

KBS continued its R&D in the fields of production, platform, transmission and reception to cope with the rapidly changing media environment. KBS established a framework for broadcasting services of the future and advanced production workflow through research on internet-based platform services that converge with terrestrial broadcasting. KBS also invested in design technique development for same-channel transmission and reception network. KBS also continued research on next-generation production technologies such as high-quality graphic technology that applies MR (mixed reality), an infographic system focused on visualization and a content distribution and information system.

Preparations for Pyeongchang Olympics & Major National Events Coverage

KBS successfully produced and broadcast programs for major national events that the entire nation was focused on such as the impeachment of former President Park Geun-hye, the recovery of Sewol Ferry and the 19th Presidential Election. KBS maximized the use of all possible resources including helicopters and outside broadcast vans while also incorporating a spidercam with AR system on a special stage in Gwanghwamun Plaza for a unique broadcast of the presidential election results. KBS also contributed to the spread of the Korean Wave through the production

of K-POP concerts both at home and abroad such as Music Bank in Singapore, Music Bank in Jakarta and K-POP World Festival in Changwon. In addition, KBS carried out the KBS Broadcast Center system design, broadcast system pre-installation and testing to successfully broadcast the Pyeongchang Winter Olympic Games.

Expansion of Terrestrial Broadcasting Coverage & Effective Facilities Management

In order to expand the FM coverage for KBS Radio1, KBS built three new transmission centers to improve reception conditions for the audience. Due to the changing media environment, KBS also closed down 14 medium-wave transmission facilities with low utilization rates, which enhanced the efficiency of transmission facilities.

Identifying latest technological trends & strengthening international cooperation

Leading efforts to spread Korea's advanced technology to the world, KBS carried out broadcasting technology consulting and support for developing countries such as Guatemala, Sri Lanka, Uganda and the Dominican Republic while also showcasing its advanced technology at the ABU Digital Broadcasting Symposium. KBS engaged in technological exchanges with NHK and other overseas broadcasting organizations to deepen friendly relations and expand opportunities for information exchange. In addition, KBS also received the ABU Broadcast Engineering Excellence Award for 2017 in recognition of launching the world's first ATSC 3.0 Terrestrial UHD broadcasting service as well as for its efforts to fulfill public service responsibilities in the field of broadcasting technology.

Strengthening role as nation's primary disaster broadcaster

With the recent increase of earthquakes and other natural disasters in Korea, the importance of swift and accurate broadcasting in case of emergencies has grown. As the nation's primary disaster broadcaster, KBS acquired disaster broadcasting equipment and developed an enhanced emergency subtitle transmission system. It carried out these efforts while maintaining optimal system conditions via thorough management including regular inspections. KBS aims to provide practical assistance in protecting the lives and property of the nation.







Digital Media

KBS strengthened competitiveness for its digital platform by delivering useroriented value and establishing service identity. In other efforts to strengthen digital media competitiveness, KBS launched NOON, a new channel for KBS contents as well as a new type of vertical service that reflects modern lifestyles in various interest categories. KBS also produced digital contents in experimental formats through on-and-offline events and diversified service distribution.



Strengthening Digital Platform Competitiveness

As a public broadcaster, KBS strengthened its digital mobile platform competitiveness. KBS set the direction for each service by analyzing services provided by competitors and through KBS' own platform. KBS also reformed the UX/UI of all digital platforms such as its "my K" video streaming service, "KONG" mobile app and news and disaster management apps to reflect user-centric consumption trends. Through six keywords: connection, prediction, expansion, concentration, intent and clarity, KBS established different identities and design guidelines for PC web, mobile web and mobile app channels and carried out reforms to become a consistent and integrated user-centric digital platform.

Launching of Mobile NOON Service

In May 2017, KBS launched "NOON", an easy-to-use service that can suggest various KBS content from a smartphone's lock screen. However, the service officially ended in April 2018 due to sluggish results as the number of app downloads or visitors did not meet expectations. As a result, KBS has learned to take into consideration more accurate figures for user demand when pushing new businesses.

Expansion of Vertical Services

KBS has created and defined new vertical products to reflect the lifestyles of our viewers. With newly launched travel, health and history vertical services, KBS produced digital contents in experimental formats through collaboration between existing content, new digital content, as well as on-and-offline mix events. Also, KBS strived to diversify its business distribution and expand partnerships by enhancing its metadata.

Expanded Podcasts: On-demand Digital Audio Programs

KBS planned and produced on-demand programs in experimental formats with terrestrial programming in mind as well as programs geared towards

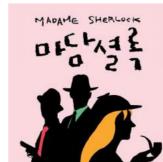
specific audiences that are difficult to air on terrestrial radio's seven channels. A total of 12 programs were selected through a company-wide podcast suggestion contest while KBS also aired high-quality audio drama programs through a content partnership with Naver using their podcast platform Audioclip. These efforts led to the production of a diverse genre of programs such as the read-aloud program <Audio Tranquilizer>, the counseling program <Healer's Talk>, music talk show <Music Show Without Music>, travel program <Imagine Travel> and audio drama <Madame Sherlock>.

News App Services Reflecting Latest Trends

"The KBS News App" was completely reformed as a native mobile-only app which allowed users to gain access to KBS news contents more quickly and conveniently. The cloud-based app also ensured service stability despite a large influx of users and made it possible to maximize the user experience and value through the UX/UI overhaul reflecting the latest trends and usage patterns.

Expansion of VOD contents service & online-only video live streaming

To strengthen KBS' digital service competitiveness, VOD content services were increased for popular programs from the past such as <Taejo Wang Geon>, <The King Dae Joyoung>, and <The Queen of the Office> to over 50,000 episodes. In addition, KBS promoted content curation, personalized recommendations, UX/UI improvements, and premium VOD services, which contributed to better user experience and user expansion. KBS broadcast baseball, soccer and other sports games that went into overtime online to supplement terrestrial programming time and increased online-only live streaming of local festivals, college basketball games, model festivals and DeepZenGo matches by two-fold compared to 2016, thereby strengthening competitiveness for digital services.











KBS always puts the audience first.

In order to put more value into license fees paid by the nation's households, KBS will continue to provide services for the public good and will be more committed to fulfilling our public responsibilities.

KBS World TV & Radio

KBS World has been a leader in spreading the Korean Wave and continuously nurturing the cultural content industry. KBS was able to solidify its position as a leading global broadcaster by actively exporting KBS content to the international market and carrying out various online and offline marketing campaigns.



Efforts to Increase Program & Channel Export Profit

Despite the rapidly changing media environment that is causing channel-related business revenue to shrink, KBS World maintained a network of 65.2 million households in 117 countries around the world. The royalty income from new overseas markets increased 19.8% to 7.87 billion KRW compared to 6.57 billion KRW from 2016. Meanwhile export figures reached a new high for Hong Kong. The performance of exports to OTT platforms in new markets also stood out as KBS World secured over \$10 million through annual contracts with major global transmission companies such as PCCW and iflix. KBS World also expanded format exports by exporting drama series such as <The Secret of My Life> to Turkey, <Seoyoung My Daughter> to India, <Rosy Life> to Mongolia and <The Return of Superman> to Thailand.

Establishing KBS World 24 Global Network

Based on the government-funded global Korean network channel KBS World 24, KBS World actively pursued a multi-channel strategy to provide differentiated public service. In the first half of 2017, a global transmission system was established through parallel satellite and internet transmission while the master control room for KBS World 24 was finished in the second half of the year. The transmission area for the Americas expanded from covering Chicago and L.A. to include Atlanta. Based on the channel's success, KBS World secured 9.7 billion won in government subsidies for 2018 to lay the foundation to provide stable and differentiated public services that create social value.

Strengthening Competitiveness for KBS World Channels

Active marketing campaigns maximized the publicity effect of KBS World's various channels. For example, at the end of 2017, KBS World held a special event for the audience in connection to the KBS year-end awards featuring one of the biggest Korean stars in Malaysia, ASTRO. Also, celebration message events and fan recruitment events for KBS World's 14th anniversary contributed greatly to the influence of the channel as these events combined the far-reaching power of social media and audience participation. Increased recognition for KBS World channels around the world boosted global ad revenues which amounted to a total of 2 billion KRW in 2017 with YouTube ad revenues amounting to 1.6 billion KRW during the same period.

Strengthening Online Marketing through Social Media Platforms

KBS World, a leader in mobile and social media trends, has continued promotion through various platforms such as Twitter, Facebook and

YouTube. KBS World also worked hard to communicate with overseas audiences through Facebook Live and various live SNS events. In 2017 KBS World further strengthened media competitiveness by launching a social media service for Chinese audiences through Weibo. As a result, the total number of users for KBS World's social media service reached 11,035,831 as of the end of 2017, a 38% increase year-on-year. The figure is the highest for any domestic broadcaster's social media service targeting overseas audiences. Thanks to the support, the exclusive live broadcast of the "2017 K-POP World Festival" through Twitter was a great success and reached a cumulative 4.7 million viewers. Meanwhile, the "SNS Popularity Award", which was launched collaboratively with Twitter Korea, recorded explosive results of over eight million tweets from its hashtag event.

Working to Continuously Further Spread the Korean Wave

The "K-POP World Festival" celebrated its 7th year in 2017, leading the Korean Wave and garnering spectacular response from international audiences. The event was the largest ever with contestants from 88 regions in 72 countries around the world taking part in auditions. 67 finalists representing 13 countries took part in the grand finale which included performances by popular acts such as BTS and TWICE. KBS World's own idol variety show <K-RUSH> in seasons one and two showed idol stars introducing Korea's famous attractions and gained a positive response. The Korean culture quiz show <Quiz on Korea> was held for the 6th time with around 1,500 contestants in 23 countries taking part in the preliminaries.

KBS World Radio with the World

KBS World Radio has been strengthening its position as a public diplomacy channel by producing high-quality programs. The travel program, <Korea Travel Log>, was included into the regular programming schedule while the English language division's broadcast time was expanded from 2 hours to 5.5 hours. The new time schedule allowed four brand new programs; <One Fine Day with Lena Park>, <K-POP Connection Season 2>, <KOREA 24> and <Weekend Playlist> to be created, contributing greatly to channel diversity and further spreading the Korean Wave. Meanwhile, KBS World Radio greatly strengthened its mobile and mobile-related services by releasing the multilingual Korean language conversation app, "Let's Learn Korean with KBS", and held "a special event to celebrate the 20th anniversary of KBS World Radio's internet service", thereby increasing content accessibility and boosting the channel's presence in the world.







International Relations

As president of the Asia Pacific Broadcasting Union (ABU), KBS strengthened cooperative relations with international organizations and major public broadcasters such as the BBC, RAI and NHK. Based on these relations, KBS led efforts to support contents for developing countries while promoting international co-production and content exchange programs. In addition, with KBS programs winning prestigious awards at international events, KBS strengthened the competitiveness of its contents on the global stage and elevated the value of the KBS brand.





Expanding Global Networks through the ABU

As ABU president, KBS presided over the 54th ABU General Assembly which was held in Chengdu, China. Through talks with Chinese Vice Premier Liu Yandong who is also in charge of China's cultural exchange, KBS was able to achieve a diplomatic breakthrough between the two countries which were at a stalemate. KBS also met with the head of Japan's NHK, Vietnam's VTV and other major ABU members as well as the heads of the European Broadcasting Union and other international unions to strategically use the ABU's influence to promote the PyeongChang Winter Olympics and KBS' terrestrial UHD service. To continue the spread of the Korean Wave and to increase KBS' influence abroad, KBS provided content to underdeveloped countries such as Bhutan, South Sudan and Afghanistan while beginning discussions for future broadcasting cooperation with the 2018 APEC host country Papua New Guinea. KBS also strengthened its partnership with global public broadcasters such as the BBC, Italy's RAI and Germany's ZDF to expand the scope of international cooperation.

Prestigious International Awards Boosting International Competitiveness

KBS won a total of 24 international awards during 2017. By selecting works to fit the style of each competition, KBS programs were able to win accolades at prestigious events such as WorldFest-Houston International Film Festival, the Asian TV Awards and New York Festivals World's Best TV & Films where five KBS programs were honored. These awards prove the international competitiveness of KBS contents and have raised the company's brand value on the international stage.

Widening International Co-production & Contents Exchange

KBS strengthened its influence in the international community and secured various content by expanding international co-production and content exchange. Ahead of the PyeongChang Winter Olympics, KBS co-produced the special <Hockey Dreams, for the Miraculous 1st Win>with Finland while spearheading the production of the ABU documentary series <CARE 7> to share various stories about Asia. Meanwhile, <The Asian Pitch>, a consortium resulting from a common vision between KBS, NHK (Japan), PTS (Taiwan) funded original HD documentaries produced by independent Asian docu-makers to contribute to broadcasting development in Asia and provided a variety of contents to audiences both at home and abroad.

Strengthening Cooperation & Exchange with Global Broadcasters

Through strengthened cooperation with foreign broadcasters and government organizations, KBS conducted a wide variety of cooperative projects from content production to personnel exchange. KBS expanded cooperation with Japan's NHK in various fields such as UHD broadcasting, 4K program production, and Korean broadcast announcer language training. KBS also successfully hosted the "Going Together Concert 2017" in cooperation with the Embassy of Vietnam in Korea to celebrate the 25th anniversary of diplomatic relations. KBS also held discussions with Turkish Radio and Television Corporation (TRT), Voice of America (VOA), Asia-Pacific Institute for Broadcasting Development (AIBD) and the nation of India on content, expert training and other areas to further pave the way for a wide range of exchanges.





License Fee

KBS is a public broadcaster which operates from license fees collected from the audience. It has always strived to faithfully carry out the responsibilities of a public broadcaster by leading the development of a robust broadcasting culture, promoting democratic public opinion and supporting public welfare. Commemorating its 44th anniversary as a public broadcaster in 2017, KBS emphasized its responsibilities and duties as a public broadcaster while the company strove to become the center of the digital media era. Despite China's retaliation against Korean cultural content for the deployment of the THAAD missile defense system on Korean soil, KBS kept the momentum going for the Korean Wave. It also took a leading role in spreading Korea's unique culture and top-notch content around the world, especially as the president company of the Asia Broadcasting Union (ABU). KBS also played a role in bridging Korean culture content companies to overseas markets while helping to reinvigorate the domestic broadcasting industry.



Quality Broadcasts & Public Services

KBS operates basic channels such as TV1 & TV2, Radio1 & Radio2, FM1 & FM2 as well as public channels such as KBS World TV & Radio, Global Korean Network, and Voice of Love through license fees. License fees are also used to alleviate reception problems in mountainous regions or islands and to protect the people's lives and property from national disasters as KBS is the nation's primary disaster broadcaster. A portion of the license fee is given to EBS to support education broadcasting while KBS also provides EBS TV and radio transmissions for free.

KBS Takes on New Responsibilities for Disaster Broadcasting

Expectations for programs that meet the needs of our increasingly digital and smart world as well as universal services for public interest that cannot be provided by paid and commercial broadcasting have grown. Meanwhile responsibilities as a public broadcaster to protect the properties and lives of the people through disaster broadcasting have also increased. KBS gave utmost efforts to provide quick and accurate disaster information through the "KBS Integrated Digital Disaster Broadcast System," while also trying to minimize damages by establishing a disaster information transmission system that fits the current advanced UHD broadcasting era. Also, KBS has been carrying out responsibilities as a public forum for communication with the audience, producing contents to realize the values of community, and transmitting UHD TV signals for the first time in the world without disruption. The company as a whole did its best to allow all Koreans to enjoy high-quality contents not just on their television sets but also through various devices anywhere at any time and designated this effort as a mid-to-long term policy goal to further emphasize its importance.

Remembering the Value of License Fees

In order to adequately finance the expanding responsibilities of a public broadcaster there must be a realistic increase in license fees. Ahead of that, KBS will strive hard to achieve social consensus on this issue by expanding and faithfully carrying out its given social responsibilities. Through streamlining manpower efficiency, reducing costs and creating new revenue sources, KBS will continue efforts to become a healthy organization.

< License Fee Statistics (as of the end of 2017) >

1. License Fee Income (in KRW)

1) Total Revenue: 646.2 billion

2) Net Income: 584.3 billion

Consignment Collection Fee: 43.9 billion

EBS Support Fund: 18 billion

2. Registered TV Sets (in units)

1) Total number: 24,584,675

2) For Household Use: 21,188,857

For General Use 3,395,818

3. License Fee Exemptions (in units)

1) Total Number of Exemptions: 2,453,955

2) Basic Livelihood National Subsidy Recipients: 546,310

Blind or Hearing Impaired: 207,006

Irregular Reception: 276,247

Electricity Usage Under 50kWh/mo of Electricity: 1,346,171

Patriots & Veterans: 72.309

Other: 5,912







Management

Under the management objective "A New Start through Innovative Management," KBS contributed to organizational stability by providing opportunities for the executive body to share policy and corporate decisions while continuously pursuing change management.





Corporate Policy Sharing & Organizational Stability

In 2017, KBS strived to share and overcome the crisis faced by the company together. The existing management-centered company workshop system was improved to include junior employees. KBS held workshops at the main office and regional offices to inform employees on the new management vision. Employees were able to understand the current management situation and hear about the company's future innovative management strategies. During the workshops, KBS was able to collect opinions from employees to realize the vision the company was aiming for with its members. Meanwhile, KBS established follow-up measures for efficient organization management since last year's organization restructuring to create a synergy effect. Also, KBS created new project teams such as the election broadcast planning team and broadcast culture business team (for certain regional networks) when necessary for major projects at hand to approach the situation with flexibility. These efforts played a role in increasing organization stability.

Hiring 108 New Employees

KBS was in the process of hiring 108 using the existing blind recruitment process but the figure was not enough to fully supplement the number of retirees. For recruitment of employees with experience, KBS expanded the scope of career recognition and hired individuals for specific job requirements such as digital & mobile UX/UI and digital advertising.

Limits to Task-centered Personnel Management

KBS operated a "job posting" system with the goal of staffing by task rather than by job type, but the system led to many problems such as arbitrary staffing, the upkeep of existing job types focused personnel appointments, regression of employee's desire to work and redundant personnel procedures which led to the conclusion that a fundamental modification is necessary.

Risk of Poor Institution Designation due to Insufficient Violence Prevention Education

In 2017 KBS received 70 points after evaluation on the basis of insufficient sexual violence and prevention education for the president and employees. Although the score was not low enough for KBS to receive a "poor" rating, there were criticisms on the necessity of establishing related education guidelines and making education participation mandatory for all employees.

Production Refusal & General Strike for Normalization

The desire for the normalization of KBS in response to violations against fair broadcasting and independence was expressed in the labor-related sector. The resistance started with the work stoppage of programs by KBS' press association and producers' association on Aug. 28 and 30 respectively which led to a general strike by the National Union of Media Workers' KBS branch on Sept. 4 and KBS Labor Union on Sept. 7. The strike which continued into January of the following year led to the KBS Board of Governors' decision on the dismissal of President Ko Dae-young on Jan. 22 and laid the groundwork for the normalization of public broadcasting. The work stoppage and strike lasted for a record 149 days (from Aug. 28, 2017 to Jan. 23, 2018) with 85,541 members of the company participating in the process, confirming the members' firm commitment to fair broadcasting.





Audience Services

KBS belongs to the audience. KBS aimed to deliver the value of our license fees back to the audience through stronger audience services and social contribution projects.





Protecting Audience Rights & Boosting Transparency

The KBS Audience Advisory Council, which consists of audience representatives, held meetings each month for in-depth discussions on KBS programs and content. 146 suggestions from the meetings were taken into account and implemented into various KBS productions. KBS is also the only terrestrial broadcaster in Korea to operate an Audience Services Center around the clock which is accessible by phone, ARS, internet, mail, and fax. The center collects suggestions and input from the audience with over 409,275 cases registered and implemented in various KBS programs and company management policies. KBS actively protected the rights and interest of the audience by handling 58 cases related to issues causing audience distress through the "Audience Distress Settlement System" which operates in accordance with the press arbitration law. Also, 28 information request cases were handled through "the information disclosure system" which not only increased the company's transparency but also satisfied the audiences' right to know.

Audience Participation Programs

The audience feedback program, <TV Review, Audience Desk>, has served as an important medium to strengthen communication between the audience and production crew while encouraging more audience

support. In the third week of each month the program airs a corner called "News Review" which reviews KBS <News 9> to fulfill the public responsibilities of a media outlet and strengthen fairness and credibility of KBS news coverage. Also, the audience participation program <Open Channel> featured 108 works of various lengths ranging from less than 15 minutes to over 26 minutes over 51 episodes. Regional audiences contributed ideas and suggestions which resulted in 83 episodes or 76.9% of the total works featured on the show, adding greatly to regional audience participation and broadcasting development.

Diverse & Systematic Social Contribution Projects

An open space for the audience called "Audience Square" hosted 59 exhibitions, 17 broadcast tapings and events while the KBS studio tour, "KBS ON" gave 140,148 visitors a chance to experience broadcasting production through hands-on experience programs. KBS also provided events tailored towards the audience such as broadcasting and media education for teens, students and media majors (57 events with 2,259 participants), and foreigner tour programs (7 events with 151 participants). They gained favorable responses from participants. Also, five photo zones were also installed and operated in front of the KBS main building, contributing greatly to promote KBS programs.

28th KBS Audience Advisory Council

ChairmanPark Jeong-hyeonPresident, Human Education Realization Parent AssociationVice-chairmanPark Hong-ilChairman, Digital Viewing 100% FoundationMembersMun Mi-ranVice-president, Consumers Korea

Baek Mi-sun Standing Representative, Korean Women's Associations United

Ha Ji-won CEO, Ecomom Korea

Seo Beom-seok Spokesperson, Korean Bar Association

Hwang Sung-wook President, Hies Lawfirm

Shim Jae-woong Professor, Sookmyung Women's University School of Communications & Media

Yoon Heung-sik Director, Korean Broadcasting System Association
Kim Ye-won President, Human Rights Center for Disabled People

Yee Seung-yeol Senior Fellow, Korea Labor Institute Employment Policy Research Division

Bae Sang-kun Executive Director, The Federation of Korean Industries

Choung Min-young Attorney, Duksu Law Offices

Ahn Chul-woo Professor, Gangnam Severance Hospital Dept. of Internal Medicine





Social Contributions

As a public broadcaster KBS has carried out various social contribution projects for the underprivileged. Not only did KBS focus on its given responsibilities of producing and transmitting high-quality contents, KBS also carried out diverse projects to give back to society and lend a helping hand to those in need.









Together through Sharing

2017 marked the 6th anniversary of Korea's largest public-private joint community event, the National Sharing Grand Awards. There was a total of 155 prizes and awards delivered to those giving back to society. KBS also organized the KBS Kimjang Sharing Festival to make and share Korea's traditional side dish, kimchi, with those in need. The special documentary, <400cc Miracle>, highlighted the importance of donating blood and respecting life. Various donation drives were organized on a national scale, showing that KBS did not neglect its duty in reminding the nation that Korea is a home we live in together.

Respecting Diversity

KBS Happy Wedding continued to provide wedding ceremonies for multi-cultural and North Korean defector couples. In 2017, a total of 51 couples; 33 multi-cultural couples, 9 North Korean defector couples, and 9 underprivileged couples tied the knot through the program.

Social Responsibilities as a Public Broadcaster

The KBS Talent Sharing Volunteer Group, consisting of around 400 cast members of KBS programs, carried out around 17 volunteer projects in

2017, helping around 4,500 people in need. Members of the Visiting KBS Music Concert donated their time and talent to hold five concerts in 2017, providing an unforgettable cultural experience to 1,200 socially underprivileged people and others living in culturally alienated areas. The KBS Kang Tae-won Welfare Foundation together with the Children's Foundation provided 369.4 million won in aid to youths in need and teens without guardians through the Matching Grant project. KBS also worked hard to discover new talent through yearly Gukak and classical music competitions such as the KBS Gukak Competition and the KBS KEPCO Classical Music Competition.

Spotlighting Outstanding Overseas Koreans

KBS continued to honor outstanding Koreans who have raised the prestige of the Korean people around the world by hosting the 19th Overseas Korean Awards. By honoring five overseas Koreans who have made great contributions to their respective societies, the awards put the spotlight on accomplished global Koreans. It helped KBS solidify its position as a public broadcaster by connecting all Koreans, including the 7.5 million ethnic Koreans living overseas.







General Information



Board of Governors

The Board of Governors is the highest decision-making body for KBS management policy to ensure media independence and assurance that the company is serving the public interest. The Board of Governors consists of 11 governors including the chairman, and each governor serves a maximum 3-year term. Governors are recommended by the Korea Communications Commission in consideration of their field of expertise and appointed by the President of the Republic of Korea. The board deliberates and decides on matters concerning the broadcaster's public responsibilities and basic broadcasting plan; budget and settlement of accounts; operational evaluation and its disclosure; recommendations for the appointment of the President & CEO and Auditor General; approval of appointed Executive Vice-Presidents; installation and abolition of local stations; acquisition and disposal of basic assets; investment in other entities; and amendments to the Articles of Association and other important policies. The 10th Board of Governors was inaugurated on September 1st, 2015 and is currently in operation.

* As of Dec. 1, 2017



Lee In-ho Chairman

- Former Director, Asan Policy Research Institute

- Former Korean Ambassador to Finland & Russia

- Former Professor of Western History, Seoul National University



Jeon Yeong-il
- Executive Director, Korea Labor Welfare Center
- Deputy Director, Civic Union for Democratic Media
- Former Evaluation Committee Member, KBS Management



Kwon Tae-seon

- Co-president, Korea Federation for Environment
Movements
- Former CEO, Huffington Post Korea
- Former Fifter The Handworch



Byeon Seok-chan

- Former Advisor, KBS Business

- Former Auditor, KBS Business

- Former Managing Director, KBS Radio Center



Cho Woo-seok

- Cultural Critic

- Former Culture Reporter, Korea JoongAng Daily
- Former Culture Section Director, Munhwa Ilbo Editorial
Dent



Lee Won-il

- Attorney, Barun Law LLC

- Former Senior Judge, Seoul High Court

- Former Senior Judge, Daejeon District Court



Cho Yong-whan
- Attorney, Jipyong LLC
- President, The Society of Human Rights Law
- Director, Jeju Olle Foundation & The Truth Foundation



Kim Seo-joong
- Professor of Mass Communications, Sungkonghoe University
- Policy Committee Director, Civic Union for Democratic Media
- Former President, Korean Association For Communication
And Information & Public
- Professional Communication
- Public Communication
- Publ



Cha Gi-hwan
- Co-president, Woojunghapdong Law Firm
- Former Director, Foundation for Broadcast Culture
- Former Judge, Suwon District Court



Chang Ju-yeong
- Representative Attorney, Sangrock Law Firm
- Former Member, National Human Rights Commission of the Republic of Korea
- Former President, Minbyun (Lawyers for a Democratic



Kang Gyu-hyeong

- Professor at Graduate School of Records,
Archives & Information Science, Myongji University

- Former Audience Rights Committee Member,
Korea Communications Commission

- Former Steering Committee Member, KBS Philiharmonic Orchestra

Executive Body

The Executive Board is comprised of the President & CEO, up to two Executive Vice Presidents, up to eight Executive Managing Directors and one Auditor General. The President & CEO is recommended by the Board of Governors and is appointed by the President of the Republic of Korea. The President and CEO appoints Executive Vice Presidents who have been agreed upon by the Board of Governors. The Auditor General is recommended by the Board of Governors and is appointed by the Korea Communications Commission, while the Executive Managing Directors are appointed by the President & CEO. The term for Executive Board members is three years and they may serve consecutive terms.



Ko Dae-young President & CEO



Jeon Hong-gu



Jo In-seok
Executive Vice President



Lee Jong-okExecutive Vice Presider



Lee Seon-jaeExecutive Director,
Strategy & Planning



Kim Young-guk Executive Managing Director, Broadcast & Marketing



Kim Seong-su Executive Managing Director, Future Business



Hong Ki-sub
Executive Managing
Director, News & Sports



Kim Jin-hong
Executive Managing
Director, Content
Production



Kim Soon-ki Executive Managing Director, Production Technology



* As of Dec. 31, 2017

Lee Wan-seongExecutive Managing
Director, Audience
Relations

Financial Statements 2017

Income Statement

Account title FY 2017 FY 2016 Change Rate of change I. Revenue 14,326 14,866 -540 -4% 14,326 -540 -4% 1. Business Revenue 14,866 14,163 14,714 -551 -4% (1) Revenue from Broadcasting 6,462 6,333 129 2% Revenue from License Fee 3.666 -541 Revenue from Commercials 4,207 -13% Revenue from Time Rate 106 21 85 405% Revenue from the Government 134 126 8 6% 3,795 4,027 -232 -6% Other Broadcasting Revenue (2) Revenue from Audience Business 163 152 11 7% Revenue from TMO 3 67% Revenue from Facilities 158 149 6% II. Cost of Sales 11,793 12,501 -708 -6% 1. Business Cost 11,793 12,501 -708 -6% (1) Broadcasting Costs 11,603 12,326 -723 -6% **Production Costs** 9,434 10,091 -657 -7% Facility Operation Costs 2,169 2,235 -3% (2) Audience Business Costs 190 175 15 9% Operation Cost for KBS Orchestra & TMO 58 55 5% Facility Operation Costs 132 120 12 10% **III. Gross Profit** 2,533 2,365 168 7% -1% IV. Selling & Administrative Costs 2,331 2,349 -18 1. General Administrative Costs 817 750 67 9% 2. Cost for License Fee Collection 839 828 11 1% 181 177 2% EBS Support Fund Commissioned Collection 438 430 2% Other Expenditures 221 0% 675 771 -96 -12% 3. Operation Costs for Commercials Commercial Fees 513 589 -76 -13% 105 121 -16 -13% **Broadcasting Development Fund** Other Expenditures 57 61 -4 -7% V. Operating Profit (Loss) 202 16 186 1163% 612 469 143 VI. Non-operating Revenue 30% General 521 339 182 54% Equity Method Revenue 130 -39 -30% 12 **VII. Non-operating Cost** 147 8% 127 127 General 0 0% 32 6 26 Equity Method Loss -100% Interest Cost 14 -14 VIII. Net Income Before Income Tax (-Net Loss) 655 338 317 94% 1% IX. Income Tax Cost 91 90 248 564 316 127% X. Net Profit During the Term (-Net Loss)

Statement of Financial Position

<1	< Assets > (Unit: 100 million KF				
Account Title	FY 2017	FY 2016	Change		
I. Curent Assets	3,585	2,919	666		
1. Quick Assets	3,528	2,812	716		
Cash & Cash Equivalents	1,210	636	574		
Trade Receivable	1,678	2,027	-349		
Other Receivables	37	47	-10		
Accrued Revenue	5	5	-		
Amount Prepaid	536	18	518		
Prepaid Expenses	11	12	-1		
Short-term Loans	11	13	-2		
Deferred Tax Asset	40	54	-14		
Other Quick Assets	-	-	-		
2. Inventories	57	107	-50		
Products	32	80	-48		
Films	4	9	-5		
Stored Goods	21	18	3		
II. Non-current Assets	9,625	9,673	-48		
1. Investment Assets	3,464	3,593	-129		
Long-term Investment	436	561	-125		
Investment Stocks Ac- counted in Equity Method	2,369	2,330	39		
Long-term Loans	499	542	-43		
Other Investment Assets	160	160	-		
2. Tangible Assets	5,609	5,734	-125		
Land	1,588	1,598	-10		
Buildings	2,982	3,103	-121		
Structure	249	277	-28		
Machine	660	678	-18		
Delivery Equipment or Vehicles	17	24	-7		
Other Tangible Assets	54	51	3		
Construction in Progress	59	3	56		
3. Intangible Assets	12	12	-		
Development Costs	6	5	1		
Other Intangible Assets	6	7	-1		
4. Other Non-current Assets	540	334	206		
Deposits	164	161	3		
Non-current Deferred Tax Assets	189	143	46		
Long-term Receivables	101	7	94		
Long-term Unamortized Expenses	21	23	-2		
Long-term Unamortized Payment	65	-	65		
Total Assets	13,210	12,592	618		

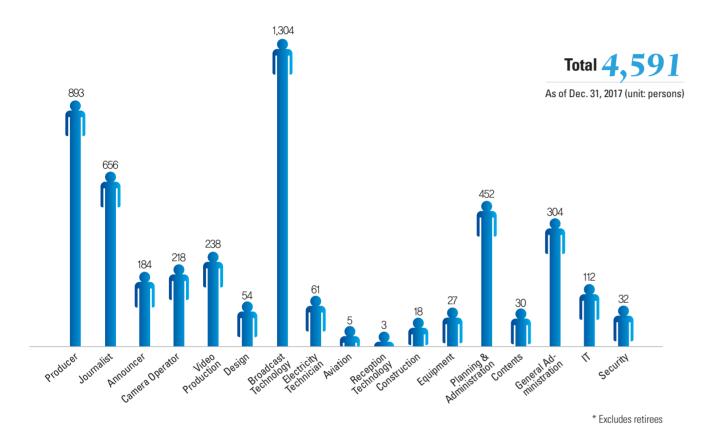
< Liabilities >		(Unit: 100 million KRW)	
Account Title	FY 2017	FY 2016	Change
I. Current Liabilities	1,938	1,908	30
Short-term Borrowings	-	-	-
Current Portion of Long-term Borrowings	388	423	-35
Trade Payable	1,207	1,059	148
Accrued Charge	-	-	-
Accounts Payable	78	116	-38
Advance Received	114	137	-23
Deposits Received	72	95	-23
Prepaid Income	72	58	14
Other Current Liabilities	7	20	-13
II. Non-current Liabilities	4,116	3,965	151
Long-term Advance Received	-	1	-1
Allowance for Severance & Retirement Benefits	4,224	4,085	139
Transfer from National Pension	-14	-16	2
Deposits for Retirement Insurance	-94	-105	11
Total Liabilities	6,054	5,873	181

< Equity >		(Unit: 100 million KRW)	
Account Title	FY 2017	FY 2016	Change
I. Capital	2,062	2,062	-
State Owned Equity	2,062	2,062	-
II. Capital Adjustments	-13	-13	-
Other Capital Adjustments	-13	-13	-
III. Accumulated Other Comprehensive Income	-60	47	-107
Gain on Valuation of Investment Stock using Equity Method	2	6	-4
Loss on Valuation of Investment Stock using Equity Method	-31	-22	-9
Unrealized Gains on Available- for-Sale Securities	-	63	-63
Unrealized Losses on Available-for-sale Securities	-31	-	-31
IV. Retained Earnings	5,167	4,623	544
Earned Surplus Reserve	1,031	1,031	-
Appropriated Retained Earn- ings for Business Development	2,037	2,037	-
Reserve for Business Rationalization	90	90	-
Reserve for Business Expansion	1,445	1,217	228
Unappropriated Retained Earnings (\triangle Deficit Yet Unattended)	564	248	316
Total Equity	7,156	6,719	437
Total Liabilities & Equity	13,210	12,773	437

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KBS Annual Report 51

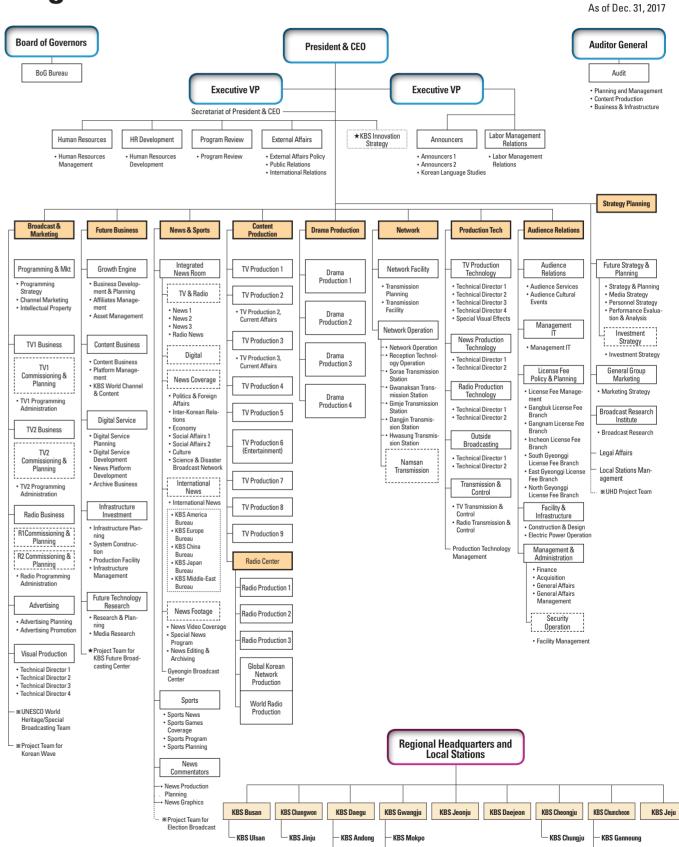
(Unit: 100 million KRW)

Personnel

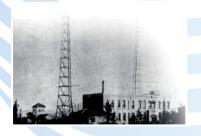




Organizational Structure



Our History



- Established Kyeongseong Broadcasting Corporation

- Started the first radio broadcasting in Korea (JODK)



1947 - ITU allocated the call sign 'HL' to Korea - Launched the state-run Seoul Central Broad-

1961 - Opened Seoul TV Broadcasting Station,



한국밤송공사창립

- Founded the Korean Broadcasting System, KBS

- Founding president Hong Kyeong-mo took

- President Choi Se-gyeong took office

- Launched FM broadcasting



1980 - Launched 2TV and Radio2

- President Lee Won-hong took office Introduced color TV broadcasting

- Launched 3TV and Educational FM broad-

- Set the license fee for color TV (2,500 won/ month for color TV & 800 won/month for black-and-white TV)

1983 Live Special <"The Reunion of the Separated Families">

1985 - President Park Hyeon-tae took office

- Launched multiplex broadcast

- President Jeona Gu-ho took office

- Host Broadcaster for the Seoul Asian Games

- Host Broadcaster for the Seoul Olympic

President Seo Young-hoon took office



1990 - President Seo Gi-won took office

- KBS Established the KBS Broadcasting Code

- Transferred the control of 3TV and Educational FM to the Ministry of Education

1993 President Hong Du-pyo took office

1994 Improved the license fee collection system and stopped commercial advertising on 1TV

1995 Launched Internet broadcasting

1996 Launched test satellite broadcasting

1997 Held the 34th ABU Seoul General As-

1998 President Park Kwon-sang took office

2000 Launched Radio3, Sound of Love

2001 Terrestrial digital TV broadcasting

2002 - The official broadcaster of the

- Korea-Japan World Cup

- Host broadcaster for the Busan Asian Games

- Launched KBS Korea, KBS Sky Sports and KBS Skv Drama

- President Chung Yeon-ju took office Opened the global satellite station KBS World

- Radio1 restarted as a news and current

affairs channel - Established the KBS code of ethics

2004 Started the team system for DTV broadcasting in 5 major cities and divided local stations into 9 regional headquarters and 9 local stations

2005 - Host Broadcaster for APEC 2005 Korea - Opened terrestrial DMB broadcasting

Conducted TV daytime broadcasting

2006 - Conducted MMS test broadcasting

- Opened KBS JOY · Conducted test broadcasting on IPTV

- Launched nationwide terrestrial DMB broadcasting - Hosted the PBI Seoul Conference

2008 President Lee Byung-soon took office

2009 President Kim In-kyu took office

- Opened KBS Gyeong-in Broadcasting Center - Broadcast the G20 Seoul Summit as the host broadcaster



casting Station

- Hosted INPUT Seoul and broadcast the 2011 World Championships in Athletics as

the host broadcaster - Broadcast Daegu IAAF World

- Championships in Athletics

- First world tour of Music Bank

in Tokyo

- Selected for the first time a disabled person

- Hosted Korea Festival in New York in commemoration of the 20th anniversary as a UN

- Kim In-gyu, president of KBS, inaugurated as the 13th president of the ABU

- 50th anniversary of KBS TV's founding

- Host Broadcaster of the Nuclear Security Summit

- Opened KBS Kids

Opened KBSN W channel

- 40th anniversary of KBS

- Won myriad of international awards, including BANFF World Media Festival and Worldfest

-Houston International Film Festival

- 10th anniversary of KBS World

- Proposal to raise license fee approved by the Board of Governors

The 60th anniversary of KBS World

- Cho Dae-hyun elected as the president

- <Colors, 4 Desires> Won the Grand Jury Award at the BANFF World Media Festival

- Recorded top ratings in Sochi Winter Olympic Games & FIFA World Cup Brazil

- Broadcast Pope Francis visit to Korea live across the world for 124 hours

- President Cho inaugurated as the 15th president of the ABU Succeeded in UHD live relay broadcast-

Submitted the license fee adjustment proposal to the National Assembly

- President Ko Dae-young takes office <Weaving the Sound, Pan-

sori> wins top awards at BANFF World Media Festival & Korea Communications Commission

Awards <Special Live Broadcast -Finding Dispersed Families> inscribed on UNESCO Memory of the

World Register <National Grand Chorus - I am Korea>

ence

- Largest structural reform in KBS - Launch of KBS-KDB Hallyu Contents

Fund, KBS-KDB - Establishment of independent production company, "Monster Union"

- KBS Board of Governors agree on plans to establish Future Broadcast Center

- President Ko Dae-young elected 15th President of ABU

- Korea Communications Commission gives permission for terrestrial UHD broadcast project

High-definition DMB service

- World's first terrestrial UHD service launched

Special Exhibition held in Berlin of KBS Special Live Broadcast

Disaster Response System Manual revised

- KBS UHD Guidelines published



celebrates 70 years of Independ-- KBS Mission & Vision Statement Declared

'Finding Dispersed Families'